

FOREIGN POLICY REPORTS

January 1, 1942

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THE UNITED STATES AT WAR

PUBLISHED TWICE A MONTH BY THE

Foreign Policy Association, Incorporated

MIDSTON HOUSE, 22 EAST 38th STREET, NEW YORK, N. Y.

VOLUME XVII NUMBER 20 25¢ a copy \$5.00 a year

The United States at War

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With this survey of the world situation confronting the United States on January 1, 1942, the Foreign Policy Association inaugurates a series of Reports that will present careful and balanced analyses of developments on all fronts, as well as of post-war problems growing out of the world conflict.

GLOBAL AND TOTAL WAR

WHEN the Japanese attacked Pearl Harbor on December 7, the conflicts that had seemed to be proceeding separately in Europe, Asia and Africa became merged into a global war. In this war, the United States suddenly assumed a central position as the only great power whose potential industrial production can outmatch that of Germany, and thus determine the outcome of the conflict.

While Germany has conquered most of Europe, and Japan has occupied part of China, neither can hope to win a final victory until they have defeated the British Empire and the United States. To do that, both Germany and Japan must break out of the continents on which they have been fighting until now, and seek a showdown with the British Empire and the United States on the high seas. In other words, they must switch from what has hitherto been primarily a land conflict, conducted by combined land and air forces, to a sea conflict, conducted by combined naval and air forces.

In Europe's warfare on land, the German Army proved superior—in man power, modern equipment, and training for coordinated action—to all the armies of the continent except that of Russia. At the end of 1941 neither Britain, nor the United States, nor the two combined, could put in the field a land army equal to that of the Reich. The resistance of the Red Army, however, shattered the legend of German invincibility, when the Russians proved that they had not only a good fighting force under resourceful leadership, but also war matériel capable of meeting the German challenge. At the very moment when Germany's army was being challenged by that of Russia, Japan struck a blow at the United States. The fundamental significance of Japan's attack on the United States is that, for

the first time during the present war, the Axis has naval power at its disposal—not merely submarines and lone raiders, but the whole naval strength of Japan, which ranks third among the world's navies after Britain and the United States.

Now that the United States has entered the war, it is clear that this war is not merely a struggle for domination of this or that continent, but a world-wide struggle for control of strategic bases, sea lanes, and raw materials necessary for militarized industry. In mapping the future course of the United States, it is essential to view the war not as a series of episodes in isolated theatres of war, but to see it as Hitler has long seen it—in its totality—and to prepare the country for a total war effort in political and economic, as well as military, terms. To do this, the American people must have a clear and realistic picture of the world in which the United States has been called on to fight. The purpose of this REPORT is to evaluate the course of the second world war to date on all fronts, and to weigh the effect that this country's participation may have on the outcome of the conflict.

GERMANY FACES THE FUTURE

From the point of view of the Western powers, Germany remains the principal enemy. In 28 months of war Germany has won most of the victories without coming appreciably closer to ending the war. From the very beginning, the Reich's economic and military preparedness enabled it to seize the initiative. Long before the outbreak of hostilities, the German economy had been geared to war and was turning out vast quantities of munitions which insured the army and air force an overwhelming initial superiority in arms and equipment. Agricultural and industrial production had been directed to insure a greater degree of wartime self-sufficiency, and stocks of essential raw materials and foodstuffs had been accumulated. The armed forces had been trained to perfection, and schooled particularly in the tactics of coordinated ground and air attack.

Thoroughly prepared, Germany could exploit its advantageous strategic position in the heart of Europe, which gave it short and relatively invulnerable lines of communications and enabled it to

FOREIGN POLICY REPORTS, VOLUME XVII, NUMBER 20, JANUARY 1, 1942

Published twice a month by the FOREIGN POLICY ASSOCIATION, Incorporated, 22 East 38th Street, New York, N. Y., U.S.A. FRANK ROSS MCCOY, *President*; VERA MICHELES DEAN, *Editor and Research Director*; HELEN TERRY, *Assistant Editor*. *Research Associates*: T. A. BISSON, LOUIS E. FRECHTLING, MARGARET LA FOY, HELEN H. MOORHEAD, DAVID H. POPPER, ONA K. D. RINGWOOD, JOHN C. DEWILDE. Subscription Rates: \$5.00 a year; to F.P.A. members \$3.00; single copies 25 cents. Entered as second-class matter on March 31, 1931 at the post office at New York, N. Y., under the Act of March 3, 1879.



Produced under union conditions and composed, printed and bound by union labor.

strike successively in different directions. By entrenching itself in western and southern Europe, Germany has made its position on the continent more impregnable and has been able to harass Britain and British "life lines" on the sea with considerable success. Through conquest or control of most of the continent, the Nazis have obtained possession of additional stocks and resources of raw materials and foodstuffs. They have acquired new industrial facilities and have mobilized almost two million foreign civilians, as well as several million prisoners, to work for the Reich.

Nevertheless, Germany's situation is far from enviable. Time and again its hope of final victory has been thwarted. It has not succeeded in reducing the British bastion. Its invasion of the Soviet Union has so far proved ill-starred. With the United States now an active belligerent, the Reich faces the prospect of a prolonged war. Meanwhile, the Nazis have earned the hatred and resistance of millions of people throughout the conquered countries of Europe. In some places, as in the mountain fastnesses of Yugoslavia and Greece, this resistance has taken the form of guerrilla warfare; in others, it is characterized by slow-down strikes, assassinations, sabotage, and cold and unrelenting hostility.

Economic strains are also becoming increasingly evident. Unless Germany can break out of the European continent and get access to larger supplies of raw materials and foodstuffs, it faces a slow but steady depletion of its resources. While the Reich cannot hope to increase its war output much further, its opponents, particularly the United States, are capable of a far greater effort. The food reserves of the Netherlands and Denmark have been largely used up. There are not enough raw materials to utilize the industrial capacity of all of German-controlled Europe. The European continent is normally by no means self-sufficient. At present there are serious shortages of textile raw materials, such as wool and cotton, of leather, vegetable oils and many minerals. The supply of copper is inadequate and there are considerable, if not critical, deficiencies in lead, zinc and rubber. Europe produces very little of the important steel-alloying metals, such as molybdenum, tungsten, vanadium, chromium and nickel, and virtually no tin or mica. Owing to drastic curtailment of non-essential consumption and the use of substitutes, the shortage of petroleum has not yet become acute or dangerous, although the lack of sufficient lubricating oil appears already to handicap Germany. As far as foodstuffs are concerned, there is a serious deficit in the supply of fats and of fodder for livestock. The inadequacy of the railways prevents Germany from effectively

mobilizing all of Europe's resources for the prosecution of the war. The available rolling stock is far from sufficient and is rapidly deteriorating. In Russia and the Balkans thousands of miles of track have been added to the German network without corresponding increases in the number of locomotives and freight cars. Finally, the Reich's industrial machinery is fast depreciating without adequate replacements and repairs.

German morale is no longer good. Expectations of peace and an end of wartime sacrifices have been repeatedly disappointed. The severe losses in Russia and the entrance of the United States into the war have shaken confidence in a final victory. The prospect of continued war is rather grim for the German people. This winter their meat rations are 20 per cent less than last winter, and their clothing allowance is 40 per cent smaller. Their diet is fairly adequate, but dreary and monotonous. To keep up morale, the Nazi leaders have been compelled increasingly to play on the fear of defeat, rather than on the hope for victory.

Germany's strength, however, should not be underestimated. Despite its losses, the Reich retains great striking force. Its reserves in military man power and equipment are probably large enough so that it may be able to hold its lines in Russia and still launch an offensive in the Middle East and North Africa, or even against the British Isles. It will remain a powerful and dangerous antagonist, particularly until such time as the United States can throw its full weight in the balance. Germany hoped for a short war, but prepared for a long one. There is little likelihood that it can be starved into submission. Its strategic position on the European continent remains extremely strong; and the German people may continue to fight long and doggedly, if only because many of them are convinced that defeat will mean complete destruction of their nation.

THE POSITION OF BRITAIN

The outbreak of war between Japan and the United States found the British Empire unprepared for a large-scale conflict in the Far East. After April 1941, when Hitler had ousted British forces from Greece, their last foothold on the continent, Britain concentrated its attention on strengthening the three theatres of war where the Nazis were expected to strike next—Africa, the Near and Middle East, and the Atlantic Ocean, including the defense of the British Isles. The German invasion of Russia on June 22 provided unexpected relief for the British by opening a new front on the European continent. The British, however, proved unable to utilize this breathing-space for an invasion of the continent from the

west for a number of reasons: lack of man power, needed on other scattered fronts; insufficient war matériel; shortage of ships; and the physical difficulties presented by invasion of German-occupied countries. As a result, the British found it impossible to create, in Europe, the second front urgently demanded by Stalin.

They did, however, take steps to prepare an offensive against Axis forces in Libya and, in concert with Russia, made plans for defense of the Caucasus in the event that the Germans succeeded in conquering southern Russia. Operations in Libya, which by January 1, 1942 had decimated Axis troops and tanks and prevented large-scale reinforcements from Europe, apparently absorbed Britain's available reserves of men, ships and war matériel, with the result that, when Japan struck, the British proved unexpectedly weak in their defense of Hongkong and Malaya.

Meanwhile, Japan's attack on the United States has created fresh problems for the British in the Atlantic. To strengthen its naval position against Japan's fleet, the United States has to transfer vessels from the Atlantic to the Pacific, thus weakening the aid it had been expected to give Britain against German submarine attacks on British vessels. British shipping losses in the Atlantic during the month of November were the lowest since the fall of France (less than 100,000 tons; compared to 180,000 tons a month officially declared lost from July through October 1941), but the situation may become precarious if the Germans, who are reported to have two hundred submarines, succeed in renewing submarine warfare on a large scale. Britain must, at all costs, maintain its life line to Canada and the United States, which have become both the larder and the arsenal of the British Isles. Moreover, the British must be on guard for the possibility that German troops withdrawn from Russia may attempt an invasion of French North and West Africa, or seize the Portuguese groups of islands—the Cape Verdes and the Azores—which would furnish excellent bases for Nazi submarines plying the Atlantic. Britain's naval problems might be alleviated if it could obtain bases in Eire, but President de Valera has declared that his country intends to maintain its neutrality.

Yet difficult as Britain's position seemed after December 7, it revealed tremendous improvement since the dark days of Dunkirk. German invasion of the British Isles, which was an immediate threat after Dunkirk, did not take place, and meanwhile Britain has succeeded in building up its defenses at home, in replenishing its stores of war matériel, and in maintaining communications with overseas countries from which it receives a steady stream of foodstuffs, raw materials and

military equipment. Britain, however, even with the full aid of the Dominions, has been unable to muster enough men, ships and war matériel to assume the offensive either in Europe or the Far East. Its principal difficulty is that it must fight on many scattered fronts, along the periphery of several continents, and maintain far-flung communications by sea, in contrast to Germany, which has the advantage of interior lines of communication.

In spite of these difficulties, Britain continues to deploy an impressive war effort. During the past twelve-month period, 480 warships, or eight times the pre-war output, were delivered by British shipyards to the Navy. Merchant ships, which are being built at the rate of almost 1,000,000 tons a year, are nearly replacing current losses. The United Kingdom is spending 14 billion dollars a year on the war, as compared, roughly, to the present United States rate of 18 billion dollars. By the end of 1941, Britain was devoting 58 per cent of its national income to defense, as compared with 20 per cent in the United States.

Now that the wars of Europe, Asia and Africa have merged into a global struggle, the British Isles seem to occupy an isolated position off the coast of Europe while the British Dominions assume a military and economic rôle of far greater importance than in the first world war. Australia and New Zealand, which lie directly in the path of Japanese expansion, have found it necessary to rely on their own war efforts, rather than on Britain; and Canada, linked with the United States by measures of joint defense and economic planning, has become one of Britain's principal sources of man power and matériel. As the war goes on, the British Dominions, whose historical development offers many resemblances to that of the United States, will turn to this country in increasing degree for military and economic aid, as well as for leadership in their external relations. The various measures of collaboration discussed or already adopted by the United States and the British Commonwealth of Nations afford practical experience which may prove highly valuable in the task of post-war reconstruction.

RUSSIA'S NEW ROLE

When Japan launched its attack on Pearl Harbor, Russia's war against Germany was entering its sixth month. The Red Army had not only succeeded in maintaining unbroken resistance along a 2,000-mile front stretching from the Baltic to the Black Sea, but found it possible early in December to take the initiative in several sectors. While the Nazis claimed that their withdrawal in Russia was in accordance with pre-arranged plans to straighten and shorten their lines, the Kremlin

jubilantly asserted that the German forces were in full retreat.

It is, of course, conceivable that the Nazis would want to withdraw troops, and especially planes, from the eastern front for use in other theatres of war where the climate is more favorable for winter operations. But one thing seems clear. The large-scale offensive launched by the Germans on the eastern front in November failed to destroy the Red Army or to break the resistance of Leningrad, Moscow and Rostov. By abandoning Rostov, which the Nazis had previously described as "the gateway to the Caucasus," the Germans surrendered the hope of obtaining access to the Caucasian oil resources by a frontal attack.

The failure of the German offensive was due to several factors. In his broadcast of December 20, Goebbels admitted that Germany was fighting an enemy superior in man power and matériel. On October 3 Hitler already conceded that Russia had displayed unexpected resistance. The Nazis apparently anticipated the collapse of Russia within a few weeks after invasion, and had not completed preparations for a winter campaign. Their far-flung operations forced them to extend their lines of communications beyond the safety point, and various reports in December indicated that the Germans faced increasing problems in supplying their forces with munitions and food. This situation was aggravated by the "scorched earth" policy of the Russians, who destroyed or damaged food stores and factories as they retreated into the interior, and by the resistance of the population in occupied areas, where civilians engaged in extensive guerrilla warfare against the Germans.

Contrary to their expectations, the Nazis did not find, either behind the lines in Russia, or among Russian exiles abroad hitherto hostile to the Soviet régime, any prominent persons ready to play the rôle of Quislings. The German invasion, far from disuniting the Russian people, caused them to set aside political and religious grievances for the "duration"; and the success of the Red Army aroused the enthusiasm of all Russians, and seemed to justify the economic sacrifices imposed on the people by the Soviet government. In 1941, as in 1918, the Germans discovered that they could invade Russian territory, but that they could not subjugate the Russian people, or effectively utilize the country's agricultural and industrial resources for the needs of their war machine.

But Russia, too, has been weakened by its war with Germany. The Soviet government can draw on a vast reservoir of man power to replace its heavy losses in men, but losses of war matériel are much harder to make up, especially in a country which had achieved large-scale industrialization in

the short space of twenty years. The Germans, on January 1, still occupied Russia's principal industrial areas—the Ukraine and the Donetz Basin—which in 1940 produced 60 per cent of its coal, 48 per cent of its steel, 61 per cent of its pig iron, and 72 per cent of its aluminum. True, the Soviet government has transferred certain factories to the east. But some time must elapse before these factories can go into operation. This means that Russia has to rely on its secondary industrial base, in the Ural Mountains, to supply war matériel to its armies on the western front, as well as to its Far Eastern army which, in peacetime, was estimated at over a million men.

The supply problem has become particularly serious because Russia can no longer count, as it did up to December 7, on extensive shipments of armaments from the advanced industrial powers—Britain and the United States. As this country becomes more and more absorbed in the Pacific conflict, it may be expected to curtail exports of airplanes, especially long-range bombers, which are urgently needed for the Far Eastern theatre of war. Nor will Britain, already short of fighter planes in the Far East, be able to spare planes in any large numbers for Russia. The United States may find it possible to send Russia tanks and other war matériel it does not immediately need. But war in the Pacific has meanwhile greatly complicated the task of shipping supplies to Russia. The best available route—from our west coast ports to Vladivostok—has been cut off by war with Japan. Of the other two routes, that from our east coast ports to Archangel presents many disadvantages. Ships sailing across the Atlantic will be vulnerable to renewed German submarine warfare, and Archangel is ice-bound during the winter months—although the Russians believe that they can keep the port open with powerful ice-breakers. The route through the Persian Gulf, then across Iran to the Caucasus, may assume increasing importance, now that the United States has established a base of supply in Italian Eritrea, on the east coast of Africa, from which armaments could be shipped to the Near and Middle East. The railway across Iran, however, has not yet been linked with the Russian railway in the Caucasus, and war matériel may have to be transported part of the way by trucks. And this route would be imperiled by the fall of Singapore.

In these circumstances, it is understandable that the Soviet government (which, like that of the Tsars, has always sought to avoid a two-front war), is reluctant to become involved in a conflict with Japan. It is tempting to speculate about the possibility of materially shortening the Pacific conflict if Russia should use its Far Eastern army against

the Japanese in Manchuria, or bomb Japanese cities from its base at Vladivostok, which is only 600 miles from Tokyo. The Russians, however, regard Germany as the principal enemy in the Axis coalition, and have decided to concentrate on the task of fighting the war in the west to the finish, rather than scatter their depleted forces on two fronts.

WHERE WILL HITLER STRIKE NEXT?

Red Army successes in many sectors of the Russian front have been matched by British victories in North Africa. After the initial momentum of the British attack, launched from Egyptian bases in mid-November, had subsided in the face of stubborn German resistance, the Allies continued to hammer at the Axis forces and now apparently have contained or captured most of the enemy units in Cyrenaica. With German forces in retreat on two fronts—a new and unique phase of the war—and with rumors of internal dissension in high German circles, some Allied quarters are forecasting the collapse of the Nazi war machine. While the advantage of shattering the myth of German invincibility should not be minimized, it would be premature to expect that the Reichsführer, with 280-300 divisions and 6,000-9,000 first-line planes at his disposal, will be forced to take only defensive action in the future. A new offensive may, in fact, be expected soon, because time no longer favors the Nazi war effort.

Where, then, may the Nazis strike and gain additional advantages while the Allies are still inferior in men and weapons? The most important single objective within the immediate scope of Nazi operations is the British Isles. If Britain were to fall, the Nazis would gain that untrammelled access to the world's oceans which they vainly sought in Norway, the Low Countries, and France. With the downfall of Britain, a part of the world's most powerful navy would be lost, important bases would pass under Nazi control, and at least a portion of Britain's industries would be taken over. Most observers agree that Hitler could easily have taken the British Isles if he had struck immediately after the fall of France. Again, the *Luftwaffe* came within a narrow margin of demolishing the United Kingdom's defenses during the Battle of Britain in September 1940. Britain's defensive position is now considerably better than last year, although it is still vulnerable to a prolonged siege carried out by air and subsurface attacks on the vital shipping which supplies the islands.

The Axis forces are better situated for an immediate resumption of the *Drang nach Osten*. From bases in Bulgaria and Greece, they could strike through Turkey, thereby seizing the only outlet of the Black Sea, threatening the Russian

Caucasus from the rear, and endangering the oil fields of Baku as well as of Iraq and Iran. The way would then be open for a drive through Syria to the Suez Canal. The advantages to be gained in this area are of considerable importance. The pressure on German forces both in the Ukraine and in Africa would be relieved. Control of immense reserves of petroleum would bolster the Axis oil position. By gaining the Near East, the Axis would be able to exploit the limited agricultural production of northeast Africa, menace Allied supply lines in the Indian Ocean and, in conjunction with the Japanese drive in Southeast Asia, threaten the rich resources of the Indian empire.

Turkey itself, the land and the people, forms a barrier to the first moves in such a drive. Revivified and regenerated after the last war under the leadership of the late Kemal Ataturk, the Turkish nation is virtually unified and determined to preserve its independence. Although the Ankara government has been forced to make some concessions to Nazi diplomatic pressure, it has resisted blandishments and threats designed to bring it into the Axis camp. The Turkish forces include an army of over 750,000 trained men, but lack airplanes, heavy weapons and tanks. Lend-lease aid from the United States, which has been reaching Turkey since last May and was formally extended on December 3, has made good some of the deficiencies. If the Turks are attacked, however, they would probably retire from eastern Thrace and the Straits area, and take up positions in the difficult terrain of the Anatolian plateau in the interior. Allied reinforcements would be limited by meager transportation facilities—a single-track railway from Syria and ocean shipping from Egypt and Palestine to small ports in southern Turkey.

The third possibility—and perhaps the most likely one—for a new German offensive lies in a thrust through the Iberian peninsula into North Africa. This move would yield the Nazis a considerable advantage in position and would divert Allied land and sea forces from several theatres of war, although it would not result in any appreciable addition to Nazi Europe's economic resources. The course of the offensive, already well-surveyed by Nazi diplomats and army officers, is fairly obvious: from occupied France through Spain and Vichy France to Mediterranean ports, thence across to North Africa after neutralizing the British base at Gibraltar by air bombardment and shelling. From the bridgeheads in North Africa, units could be sent to relieve the *Afrika Korps* in Libya, and seize the Atlantic coast line down to Dakar.

The main body of troops would probably pass through Spain. Ideologically the Franco government has been an Axis ally since the opening of

the war. Recently it reaffirmed its affinity to Nazism by signing again on November 25, 1941 the Anti-Comintern Pact of 1936. Except for sending a small contingent to the Russian front, Spain has not joined actively in the war, largely because it has not yet recovered from the exhaustion of its Civil War. The bare necessities of life, particularly food, are meager and can be obtained only by relaxation of the British blockade. London has been willing in the past to make concessions and even to continue to trade with Spain, in the hope that it could be kept neutral. The recent American embargo on petroleum shipments to Spain, however, may be taken as a warning that the democracies' policy, described by its critics as appeasement, is being re-examined.

In the last analysis, Spain's relationship to the war will be decided in Berlin. Whenever Hitler believes that the time is ripe, Spain will be traversed by Nazi armies headed for Africa. Although there would be no opposition, their progress might not be easy, for they would find the Spanish railways in poor condition and stocks of food very low.

The success of a German offensive across the western Mediterranean and into North Africa depends considerably on the attitude of unoccupied France, one of the few still uncertain factors on the world's diplomatic chessboard. While France was overwhelmingly defeated in June 1940, it remains a factor of some military importance at the beginning of 1942. About half the pre-war French Navy lies in Mediterranean and Atlantic ports—3 capital ships in various stages of readiness, 14 cruisers, 52 destroyers, and 60 submarines. The active participation of this fleet could radically alter the balance of sea power in the Mediterranean, and assumes increased importance in view of Allied naval losses in the Pacific. The French possess strong bases in the western Mediterranean and on the North Atlantic. Vichy also commands land forces in French North Africa—100,000 to 200,000 men, still under military organization, but with very limited supplies and munitions.

These important military factors have motivated the competition between the Axis and the Allies for the cooperation of France. The Nazis are able to bring pressure to bear in France by holding 1,500,000 French soldiers in German prison camps, by manipulating the staggering burden of occupation costs levied on Vichy, and by controlling French imports of raw materials and food. The pro-Nazi clique at Vichy, headed by Admiral Jean Darlan, is convinced that France's future lies in collaboration with Berlin. Among the lower civil servants and the people, however, a growing spirit of resistance to Nazi domination is evidenced by spontaneous demonstrations in favor of the Allies,

sabotage and, in the occupied zone, by continued assaults on Nazi soldiers. Marshal Pétain, Chief of the French State, has attempted to maintain a neutral position and to adhere as strictly to the terms of the Franco-German armistice as circumstances permit. While he has yielded to Nazi pressure in the past, he now appears less certain of an ultimate Axis victory and therefore more receptive to the advice of Admiral Leahy, the American Ambassador. The Nazis may be able to compel a greater measure of acquiescence on the part of the Vichy régime—the right of transit of German troops, use of French bases and the French Navy—but this cooperation will be of little value if the mass of the French people, soldiers, sailors and technicians, continue to resist. Their attitude, in turn, will depend largely on the course of the war. Undoubtedly the entrance of the United States into the conflict, taken in conjunction with German setbacks on the eastern front, raised the expectations of many for an Allied victory.

The Allies must attempt to hold a broad front in the Mediterranean region, extending from Gibraltar on the west through North Africa to Suez and thence to the Caucasus. Their first line of defense is the inland sea itself, where the British Navy holds a margin of superiority. Its control is most effective in the eastern and western sections, while in the waters around Sicily and the narrow waist of the Mediterranean, it has been able to interrupt Axis shipping routes and prevent perhaps a third of the Italian supply and transport vessels from reaching Libya. Nazi air power, based on Sicily, has so far prevented complete British domination of the Mediterranean, and must be effectively dealt with before the Allies can claim complete control.

On land, the Allies have over 750,000 men, spread between Libya and Iran. The supply and provisioning of these forces is made difficult by the lack of cargo vessels, and the necessity of shipping from Britain and the United States by way of the Cape of Good Hope to ports in the Red Sea and the Persian Gulf; inadequate harbor facilities and means of transportation in the Near East; and the yet insufficient production of Allied planes, tanks and other matériel. The British surmounted these difficulties in late 1941, to the extent that the Eighth Army in western Egypt was able to take the offensive on November 18 and push the Axis defenders far to the westward. Its further success depends primarily on the ability of the Allied supply services to increase the flow of men and matériel. In this task, the establishment of an American supply base in the former Italian colony of Eritrea will play an important rôle.

The retention of the present lines in the Near

East and Africa is of primary importance to the Allied war effort throughout the world. If the Nazis are able to force their way to the Indian Ocean or the South Atlantic, they will be able to divert sorely needed air, land and sea units from other fronts; obtain domination over sources of critical raw materials; menace shipping on the high seas; and separate Russia from Allied forces in the British Isles and Africa. Allied strategy must be directed in such a way as to provide not only for defense, but ultimately for a major offensive action against the Nazi stronghold in Europe. Heretofore the British have been compelled, because of inferiority in numbers, to take only defensive measures and rush contingents to Greece, Iraq, Syria, Iran, wherever a Nazi threat was evident. The time must come, if Nazi power is to be broken, when an Allied drive against the main Axis forces will be launched. The Near East and Africa provide probably the best base for such a drive. Italy, already showing signs of disaffection, might be knocked out of the war by air and sea attacks. The irregular southern coast line of Europe affords a maximum of potential bridgeheads for an invasion of the continent. Near that coast unconquered Yugoslav and Greek forces maintain a constant guerrilla warfare against the occupying forces. By joining up with them and spreading the flame of revolt through the Nazi vassal states, the Allies might ultimately carry the war to victory.

THE WAR IN THE PACIFIC

Both at Hawaii and in Southeast Asia the surprise attacks of December 7 achieved military results which afforded Japan initial advantages of first-rate importance. Viewed as an application of *Blitzkrieg* tactics, the Japanese stroke at Hawaii failed to accomplish its total objective—annihilation of the Pacific Fleet. Until reinforcements in planes and capital ships could reach Hawaii, however, that fleet was largely immobilized. Guam and Wake had been lost and Midway was threatened, and the direct route to the Philippines via these island stepping-stones had been cut. For a considerable period Japan was free to concentrate on the Philippines and Malaya, with the assurance that interference from the Pacific Fleet was barred and that American reinforcements to Southeast Asia would have to travel the 10,000-mile route from Hawaii via the South Pacific islands to Singapore.

Japan's primary objective during the first stage of the war lay not in Hawaii, but in the rich and strategic territories bordering the South China Sea. Here were the great bastions of Allied strength in the Far East—the sea and air bases of Singapore, Manila and Surabaya. In Borneo and Su-

matra are oil fields and refineries with an output sufficient for all Japan's needs, while in Southeast Asia as a whole there are rubber, tin, iron ore, manganese and other strategic materials. Concentrating its major strength against key points, Japan swiftly registered impressive military successes at Hongkong, in Malaya and on Luzon. If Hawaii was immobilized by the first attack, Malaya and the Philippines—the bulwarks of the East Indies—were thrown back on the defensive, leaving the ultimate issue to be settled by a hard, uphill struggle.

The first great turning point of this struggle may be reached during the winter months. With troops, planes and ships carefully prepared, Japan is desperately seeking a quick "knockout" in Southeast Asia—its only hope for eventual victory. It is exploiting its initial successes with great energy and determination, and on a scale which requires a tremendous effort by the Allied powers if they are to hold the key sections of the region.

Formidable difficulties confront such an effort, especially in the field of supply. Immediate reinforcements of fighter and bomber planes are needed to reduce Japan's air superiority, evidently achieved by massing the bulk of its air strength in Southeast Asia. Outside of Australia, just beginning to produce airplanes in quantity, there are no neighboring areas of supply. The great centers of Allied production, in Britain and the United States, lie roughly 10,000 miles from the battlefronts in Malaya and the Philippines. During 1941, long-range bombers were regularly flown to the Far East from Hawaii via the South Pacific islands, Australia and the Netherlands Indies, but fighter planes will have to be ferried across the Pacific or through the South Atlantic in convoys protected against raiders and submarines. This task will place a heavy additional strain on Allied shipping, which must also carry guns, shells, tanks and troops to Southeast Asia. And the whole problem is rendered more acute by the necessity for speed, since it must be solved quickly in order to affect the course of the crucial engagements already taking place. Naval vessels, though difficult to spare, can be most easily transferred to Asiatic waters, but they must be supported by effectively coordinated air power.

Unification of the Allied command in Southeast Asia, announced from the White House on January 3, should quickly overcome one of the major advantages which Japan has enjoyed during the initial stage of the campaign. All forces in this area, sea, land and air, will operate under the supreme command of General Archibald P. Wavell, who conducted the lightning British sweep into Libya early in 1941. Major General George H. Brett, chief

of the United States Army Air Corps, will be deputy commander, while Admiral Thomas C. Hart, of the United States Navy, will control Far Eastern naval forces under General Wavell's direction. In the Chinese theatre, and also such portions of Indo-China and Thailand as may become available to troops of the united nations, Generalissimo Chiang Kai-shek will exercise the supreme command. American and British representatives will serve on the Generalissimo's joint headquarters planning staff.

Japan's military problem in Southeast Asia, like that of the Allied commanders, turns essentially on a question of time. Overwhelming necessity dictated Tokyo's strategy of an all-out offensive, initiated by surprise. Japan must seize the vital land, air and naval bases in Malaya, the Philippines and the Netherlands Indies before the limited Anglo-American-Dutch forces can be sufficiently strengthened to make good their defense. Success in this objective would provide Japan with many of the raw materials which it must have to conduct a long war. Failure would be virtually equivalent to defeat, since it would deprive Japan of new sources of raw materials, give Anglo-American productive capacity time to assert its superiority, and leave in Allied possession the bases from which a victorious counter-offensive could be launched.

The size of the stakes represented by the opening engagements in Malaya and the Philippines is a measure of the energy which Japan will put forth to achieve a quick success. None of the long-term disadvantages which confront Japan will operate during the early months of the war. For this period relative Japanese superiority, on land, sea and in the air, will be at its peak. On a rough estimate, total Allied airplanes in Southeast Asia at the outset of the war numbered possibly 2,000, distributed as follows: 750 in the Netherlands Indies, 500 in the Philippines, and 750 in Malaya and Burma. If the Japanese sent 4,000 of their estimated 6,000 modern-type planes into Southeast Asia, they would have held a 2 to 1 edge in air power when the war began. Comparison of available troops has less validity, since training and equipment outweigh numbers in modern mechanized warfare. On the Allied side, in December 1941, there were at least 80,000 trained men in the Philippines, 125,000 in the East Indies, and possibly 100,000 in Malaya and Burma. Against this total of roughly 300,000 Allied troops, the Japanese could probably muster at least 500,000, and their available reserves were far more numerous than those of the Allies.

At the outset Japan's forces, unlike those of Germany in its European campaigns, were not poised on land frontiers contiguous to the enemy forces. The Japanese command had first to solve

the difficult problem of carrying its planes and troops to enemy soil, largely by sea-borne invasion. Only in Malaya was it possible, owing to Thailand's non-resistance, to establish an overland invasion route. In this vital sector Japan was able virtually overnight to base its planes on airfields close to the battlefronts, both in southern Thailand and at Kota Bharu, where a landing was effected. Deployment of Japanese troops in northern Malaya was limited only by transport facilities through Thailand from Indo-China. The deployment problem was more difficult in the Philippines and the East Indies, where bridgeheads had to be established solely by landing operations. American and Dutch forces, on the other hand, were too few to cover more than the most vital landing points on the extensive archipelagoes. Once air bases were established at points on the periphery of Luzon, the Japanese landed in force on Lingayen Gulf and Lamon Bay, and rapidly drove forward to Manila.

Japan's overwhelming naval superiority in Far Eastern waters was increased still further by the first week's operations, which resulted in the loss of four Anglo-American battleships (three destroyed, one damaged) against two Japanese battleships (one sunk, and one seriously hit). Warned by the loss of its own capital ships, Japan has tended to rely on its smaller vessels for the support of landing operations. The destructive efficiency of shore-based planes, in line with expectations before the war broke out, has at least partially neutralized Japan's superior naval strength in the South China Sea.

In all other respects, Japan's naval superiority has played an enormous rôle in the successes initially gained. The seas from Formosa to Indo-China have been transformed into a Japanese lake, into which enemy submarines alone have penetrated. Allied forces could render no assistance to beleaguered Hongkong. Neither surface vessels nor planes have challenged Japan's lines of supply to Indo-China, on which the success of Japanese operations in Malaya mainly depends. Japan's complete naval and air control over the waters extending down to Indo-China's coast, in fact, has been the condition on which the whole offensive into Southeast Asia could be conducted. Until the Allies mobilize sufficient fleet and air strength to challenge these supply lines, no thoroughgoing counter-offensive can be undertaken.

In the economic sinews of war, rather than in the air, land and sea forces directly engaged, lies Japan's great inferiority—but one which could only make itself felt with the passage of time. At the outset, this factor was virtually negligible. For four years, during the 1937-40 period of the China war, Japan's aggregate foreign trade had stood con-

tinuously at boom levels. Out of its large imports of scrap iron, aviation gasoline, crude petroleum, copper, ferro-alloys, iron ores, rubber, tin, non-ferrous metals and automotive equipment during this period, Japan had set aside its reserves of strategic materials. With its imports of machine tools and factory equipment, Japan had expanded its heavy industry and produced large stocks of finished munitions. No reliable estimates of the extent of these reserves are available, but they may be considered adequate to support war operations in Southeast Asia for at least six months and perhaps a year. For the present, little replenishment of existing stocks is possible since roughly 85 per cent of the war materials imported in 1937-40 came from the Anglo-American-Dutch coalition which Japan has attacked, while sources which supplied the other 15 per cent are largely cut off.

Southeast Asia, however, the scene of Japan's *Blitzkrieg*, is itself a treasure-house of raw materials on which the duration of the war in the Pacific may possibly depend. Indo-China and Thailand are already under Japanese domination. These two countries, supplemented by Burma, are the granary of Southeast Asia. Their export surpluses of rice and maize will adequately solve Japan's food problem—for so long, at least, as sea-borne traffic with Indo-China is not disrupted. Indo-China and Thailand will also furnish Japan with limited quantities of coal, rubber, tin, and iron and manganese ores. It is in Malaya and the East Indies, and partly also in the Philippines, that some of Japan's major deficiencies in strategic materials might be satisfied. The East Indian oil fields could probably supply Japan's full requirements in crude petroleum and aviation gasoline, even under present war conditions, providing their total peacetime production could be maintained. If output was seriously reduced by war damage or calculated destruction, Japan's reserve stocks might not prove sufficient to bridge the gap until production was resumed. The tin and rubber of Malaya and the East Indies would more than suffice for Japan's needs, while the Allies would feel the loss of these two commodities much more than that of the oil. From Southeast Asia as a whole, including the Philippines, Japan would also obtain large quantities of bauxite, iron ore, quinine, copra, palm and coconut oil, kapok, various hard cordage fibres, lumber, sugar and tobacco, as well as smaller amounts of other strategic minerals, especially chrome, manganese and copper ores, nickel, tungsten and scrap iron.

A rapid conquest of Southeast Asia, providing the "scorched earth" policy was not effectively applied, would thus materially increase Japan's economic strength. Certain deficiencies would remain.

There are no centers of heavy industry for Japan to seize in the Far East comparable to the highly industrialized regions occupied by Germany in Europe. Japan would still be dependent on its own industrial machine for the production of finished munitions. The raw materials of Southeast Asia would help greatly, but supplies of lead, copper, mercury and nitrates would continue to be inadequate. Machinery and automotive equipment would especially be lacking, and the shortage of skilled labor, with more men engaged in military service, would be accentuated. The effort to increase production of planes, tanks, ships and auto trucks would thus encounter great obstacles, even should the deficiency in most raw materials be overcome.

In the sphere of military-naval operations, the conquest of Southeast Asia would vastly strengthen Japan's position. Loss of the Allied bases in this region, which could only be regained by costly and difficult operations, would prolong the war in the Pacific indefinitely. Yet, even with these initial economic and military advantages, Japan would be far from a total victory. The task of occupying and exploiting both Chinese territories and Southeast Asia would place a heavy strain on Japanese resources, in man power, industrial equipment and capital. Reserves for a "knockout" blow would have to be accumulated, since the citadels of Anglo-American power would remain unconquered. Allied production would meanwhile have reached levels that would provide for an increasing mobilization of military-naval strength in the Pacific, as well as in the Atlantic. Even with Southeast Asia in its possession, Japan would hardly be able to match the munitions of war which Allied factories could make available for the Pacific battleground. Only a catastrophic defeat in Europe would prevent the Allies from building up a striking force of sufficient power to take the offensive against Japan in the Far East. As yet, moreover, there is no need to write off Southeast Asia, where the real struggle has just begun. Should the Singapore base be held, the time and effort required to win an Allied victory in the Pacific will be greatly reduced.

U.S. FACES A TWO-FRONT WAR

The sudden outbreak of hostilities with Japan, Germany and Italy thrust upon the United States the most serious military problems it has ever faced. For the first time in its history, this country has been forced to fight a major war simultaneously in the Atlantic and Pacific Oceans; and for the first time since the War of 1812 it has been strongly attacked by a leading naval power. In the present crisis, the United States Navy must defend vital na-

tional interests on two widely separated fronts, and before final victory can be gained, the Army may have to engage the German war machine, most powerful land force ever assembled under one command. Although the United States has hastily prepared its military forces for combat since 1939, it was late to begin all-out preparation for war and now suffers a disconcerting handicap in the amount of man power, air power and sea power available for immediate use against the Axis. The most noticeable deficiencies are in material equipment, but these initial disadvantages should be rapidly overcome now that American production is on a wartime basis.

The Armed Forces

The active personnel of the United States Army had grown from 174,000 officers and men in mid-1939 to approximately 1,600,000 on December 7, 1941. These included 540,000 Regular troops, 270,000 members of the National Guard, over 75,000 officers of the Reserve Corps, and more than 700,000 Selective Service men. About 130,000 troops of the Regular Army were assigned to overseas garrisons—including Iceland, Newfoundland, the Panama Canal, Alaska, and infantry divisions in Hawaii and the Philippines. The main force in continental United States, at the last public count on November 27, 1941, included 18 "square" infantry divisions of 22,272 men each, 8 partially motorized "triangular" divisions of 15,245 men, and 5 armored divisions scheduled to employ 12,697 men each. In addition, the long coast lines and numerous overseas bases of the United States require a large number of specially trained men equipped to operate in any one of numerous different climates and terrains. These special groups, distinct from field forces, include regiments of coast artillery, anti-aircraft and anti-tank battalions, parachute and ski troops, and many service and maintenance units. In most cases, the ranks of the various Army divisions and special units are not yet complete, but they will soon be brought up to full war strength under increases authorized on December 17, 1941. When these effectives are added, the Army will number 2,000,000 officers and men.

The greatest Army expansion has occurred since September 1940, when Congress called up the National Guard for active service and passed the Selective Service Act. During this brief period of rapid expansion, the new men have not been trained and assimilated as thoroughly as the General Staff had desired. In the last few months, however, there has been a marked improvement in discipline, morale, administration, tactics, leadership and staff work. Lieutenant General Hugh A. Drum, Commander of the Army of the North-

east, estimated on November 28 that the existing troops, if completely equipped and supplied with ample ammunition for firing practice, could become a combat army by March or April 1942.

Lack of ammunition is the most glaring deficiency in equipment, and it is not likely that this gap can be overcome in the next three or four months. Up to the Louisiana maneuvers in September, many soldiers had never fired their rifles, and few had ever fired anti-tank or anti-aircraft guns, or thrown live grenades. Wooden rifles are still common, and few self-propelled mounts for 37- and 75-millimeter guns are in use. Other major shortages are .50-calibre machine guns and 105-millimeter howitzers. There are few medium tanks, and the first of the powerful new 57-ton tanks was turned over to the Army on December 8.

At the outbreak of war, the Army Air Force possessed at least 2,500 modern, combat-type warplanes, of which 800 or more were stationed in advance bases outside continental United States. The Army has more than 46,000 planes (all types) on order. The present strength of Air Force personnel, consisting to date entirely of volunteers, is about 200,000, and is to be doubled by June 30, 1942. New Army pilots are being trained at the rate of 30,000 a year, and bombardier-navigators at the rate of 10,000 a year. Facilities for turning out Navy pilots are not so extensive as those of the Army, but they are being steadily increased. More than 3,000 naval aviation students are in training, over half of them assigned to special instruction in patrol-plane operation. The Navy has over 4,000 service planes on hand at the present time, but no figures have been released to show how many of these are combat types and how many are training and hospital planes. Orders have been placed to bring the naval air fleet up to a wartime strength of 15,000.

The two-ocean navy of the United States, authorized in July 1940, will not be completed before 1946. At the outbreak of war in December 1941, the combat vessels of the Navy included 17 battleships, 7 aircraft carriers, 37 cruisers, 170 destroyers, and 113 submarines. Normally, most of these ships have been concentrated in the Pacific Fleet at Hawaii, where they surpassed the entire Japanese Navy in number of units and gross tonnage. They have been supported by an Asiatic Fleet of cruisers, destroyers, submarines and patrol planes based in the Philippines. In the summer of 1941, however, a large part of the Pacific Fleet was moved through the Panama Canal, to reinforce the new Atlantic Fleet in anticipation of a clash with Germany.

The measure of effectiveness of a man-of-war, or of long-range naval aircraft, is largely determined by the efficiency of its personnel and the

adequacy of its available bases. The officer and enlisted strength of the Navy totaled approximately 340,000 men in December 1941—that of the Marine Corps 65,000. Both the Navy and the Marine Corps have more than doubled their personnel since June 1940. These increases have been effected solely through the enlistment of volunteers, but on December 13, 1941 a joint Senate-House Committee authorized the Navy to take 50,000 men and the Marine Corps 10,000 men from Selective Service rolls.

Strategic Bases

The preparation of offshore air and naval bases has reflected similar activity during the past year and a half. Distant Pacific outposts of the United States have been rapidly developed for patrol-plane and submarine use. Extending west and south from Hawaii are a group of small islands and atolls, important primarily as "listening posts," from which reconnaissance operations might help detect the approach of Japanese warships. These islets include Midway, Johnston, Palmyra and Samoa. Japanese seizure of Guam and Wake Islands has closed the direct air route between Pearl Harbor and Manila. The southern route, however, via Palmyra and Samoa to New Zealand and Australia, may soon become a vital chain of bases for ferrying American bombers to the Far East.

Owing to the extreme distance over which a naval offensive against Japan must be conducted, effective United States fleet operations in Asiatic waters will require the use of British and Dutch bases, to which spare parts for American vessels and planes must now be sent. Eventually, a strong offensive may be launched against Japan from the new United States air and naval bases in Alaska, especially if this country should obtain access to the Russian bases at Petropavlovsk and Vladivostok. Since there are no footholds open to Japan in the eastern half of the Pacific, the United States is relatively secure against a large-scale Japanese attack.

The Panama Canal, vital strategic link between the Atlantic and Pacific Oceans, is the most vulnerable point in the Western Hemisphere. One well-placed bomb in the Canal locks might force American warships to undertake the 30-day journey around Cape Horn to counter an overseas attack. The Canal, therefore, is heavily guarded against a Japanese or German "suicide raid" from without, and against possible sabotage from within. Despite Panama's tremendous distance from Japan, the danger of attack is considered greater from the Pacific than from the Atlantic, because of the projecting ring of Caribbean bases which guard approaches to the Canal from the east.

The eight air and naval bases acquired from Britain in September 1940, in exchange for 50 over-age United States destroyers, will all be in use early in 1942. Although not complete in detail, they are almost ready to handle an active defense program involving 15,000 planes, and provide naval stations for maintenance and operations from the Arctic to the tropics. Extending the range of regular United States naval and air patrols 1,000 miles farther out into the Atlantic, these bases—from Newfoundland and Bermuda to Trinidad and British Guiana—create an offshore area of American naval predominance in the Atlantic similar to the inner Pacific defense zone from the Aleutian Islands (Alaska) to Hawaii to the Panama Canal. Although isolated German raiders could undoubtedly penetrate this Atlantic chain from time to time, the risk involved is sufficiently great to discourage such ventures. By acquiring additional outlying bases in Greenland in April 1941, and in Iceland in July, the United States made the Western Hemisphere even more secure against attack from northern Europe. This hemisphere, however, is not yet insured against aggression via the South Atlantic. Potential Nazi stepping-stones to the New World may be found in the Azores and Cape Verde Islands (Portugal), the Canary Islands (Falangist Spain), and the valuable naval base at Dakar, West Africa (Vichy France).

Attitude of Latin America

Dakar and the Cape Verde Islands are only 1,600 miles from the "bulge" of Brazil, where Italian and German airlines have remained active throughout the European phase of the war. The port of Natal, in Brazil, is closer to Dakar than to the new United States military bases in Trinidad, British Guiana and Surinam. Natal is nearer even to Gibraltar and Lisbon than to the leading American naval bases at New York, Norfolk and the Panama Canal. If the Axis could gain control over both Dakar and the group of strategic bases in northeastern Brazil, especially while the United States Navy is fighting in the Pacific, Nazi planes and submarines could seriously impair, if not cut off, Allied communications between the North and South Atlantic. The United States would then lose direct access to much of the raw material wealth of South America, which can partially replace the Far East as a source of strategic war materials. And, once the totalitarian powers gained a foothold in South America, it would be only a matter of time before they might strike decisively at the Panama Canal. Under these circumstances, the need for solidarity and friendly understanding among all the American nations has never been greater.

Latin America has felt acutely the economic repercussions of the war in Europe since September 1939. Deprived of about a third of its overseas markets and normal sources of required imports, Latin America turned to the United States to meet its needs. Japan also expanded its sales and purchases in the southern part of this hemisphere, particularly on the west coast of South America, although Japanese economic interests steadily lost ground there during the summer and fall of 1941. The measures of economic warfare applied against German and Italian nationals in Latin America by the United States—notably through the prescription of “black lists”—have now also been extended to the Japanese, in an effort to rid the hemisphere completely of Axis influence.

After a decade of cordial relations under the Good Neighbor policy, Latin America and the United States have drawn increasingly closer because of mutual danger during the second world war. The new community of interest has naturally been strongest among the Caribbean countries whose economic structures are vitally integrated with that of the United States. This fact was sharply underlined during the second week in December, when all nine of the Central American and Caribbean island republics joined the United States in declaring war against Japan, Germany and Italy. While none of these small nations can be expected to contribute substantial military aid to the Allies, their active belligerency has made possible the internment of dangerous enemy aliens and has insured that their strategic territories will not be used by the Axis as military bases to attack the Panama Canal or to raid American shipping. Although Mexico has not entered the war against the Axis powers, it has severed diplomatic relations with them and is permitting use of Mexican territory by United States troops, ships and planes “in cases of obvious urgency.”

Colombia and Venezuela also broke off relations with the Axis. Other South American countries have not gone this far, but after the Japanese attack all of them—through official pronouncements, and cables to President Roosevelt—re-affirmed their support for inter-American solidarity. Within a week after the United States became involved in the war, every Latin American republic had offered tangible support in one way or another. Most of them—including Argentina, Brazil, Uruguay, Venezuela and Peru—froze Axis funds in whole or in part. A number of the countries banned pro-Axis propaganda, took special precautions to safeguard United States property against sabotage, and announced that they would not treat this country as a belligerent—a decision which will permit the United States Navy to use strategic

South American ports, especially those of Uruguay, Argentina and Chile. On December 10 Argentina and Chile also announced they were discussing fortification of the Strait of Magellan, where German surface raiders were sheltered during the first world war.

Despite its decision not to regard the United States as a belligerent, the Argentine government still appears to have many reservations on the subject of inter-American collaboration and may conceivably play an important part in thwarting efforts to strengthen the all-American front. Reports from Buenos Aires suggest that the state of siege proclaimed by the Argentine Cabinet on December 16 bears with equal weight on the predominant pro-Ally and the less extensive pro-Axis manifestations of sentiment—in the name of a “neutrality” policy which in fact tends to benefit the enemy. The departure of German Ambassador Edmund von Thermann, announced at the year’s end, comes at a time when it will be interpreted as a gesture of solidarity prior to the Rio de Janeiro conference. In reality, however, it is the aftermath of a spectacular investigation of anti-Nazi activities conducted by a committee of the Argentine Chamber of Deputies and leaves intact the personnel engaged in activities of diplomacy, economic penetration and propaganda in the Argentine capital. The régime of Acting President Ramón Castillo is evidently determined to preserve a balance between the belligerents to the greatest extent possible. In view of Argentina’s dependence on the Allies for shipping, industrial products and export outlets, however, it seems likely that the country will gradually be forced to modify its present position.

ECONOMIC POWER OF THE UNITED STATES

In addition to its military and naval contribution, the United States brings to the support of its allies unexcelled agricultural and mineral resources, as well as an industrial capacity larger than that of any other country in the world. According to pre-war figures, North America accounts for over a third of the world’s raw material output, while the Axis-dominated European continent contributes only about one-fifth. The United States and Britain, moreover, have access to a large proportion of the remaining production—thanks to their continued control of most of the sea lanes. The anti-Axis countries control 63, 67 and 78 per cent of the total production of the three raw materials most essential for war—iron ore, coal and crude petroleum. The United States alone produces over 60 per cent of the world’s petroleum and more than a third of the coal and iron ore. This country’s output of copper is six times that of the European continent and it produces as much zinc and

lead as all of Europe. The United States and its allies now turn out considerably more aluminum than their enemies, and this margin of superiority is likely to increase as additional capacity in this country comes into production. Only in the production of the light metal—magnesium—and the output of synthetic nitrates for explosives do the Axis powers retain a margin of superiority.

United States deficiencies in raw materials are on the whole small compared to those of the Axis. The most serious shortages are tin and rubber. At the end of 1941, however, tin stocks in this country exceeded 100,000 tons—an amount probably sufficient to cover essential consumption for several years, particularly since the completion of a smelter in Texas will enable the United States to draw on Bolivia for ore equal to 18,000 tons of refined tin a year. Similarly, stocks of crude rubber, aggregating over 600,000 tons, may last for several years, with drastic restriction of civilian consumption, increased use of reclaimed rubber, and a rise in the output of synthetic rubber which may reach a rate of 120,000 tons a year early in 1943. The United States also has large stocks of manganese for steel-making and can probably adequately cover any deficiency through imports from Cuba, Brazil and South Africa. Its position with respect to the steel-alloying metals is far from desperate. Through Canada it has access to almost 90 per cent of the world's output of nickel. Deficiencies in domestic resources of antimony, tungsten and vanadium can be largely met in Latin America. Severance of trade with the Far East would seriously impair this country's supply of chromium, although it could rely to some extent on domestic stocks and production, as well as on Africa and Latin America. Existing stocks of manila hemp for marine cordage may last for some time in case the United States is cut off completely from the Philippines. The loss of vegetable oil supplies and mica normally obtained from the Far East would prove serious, but not critical. Cessation of other imports from the Far East would be inconvenient, but would not seriously affect this country's war effort.

The United States possesses over 40 per cent of the world's industrial capacity. It can produce about 88,000,000 tons of steel per year and its capacity is now undergoing further expansion. The anti-Axis countries, combined, control a possible output of about 117,300,000 tons of steel, while the Axis powers can muster a theoretical maximum of only 73,700,000 tons, even after crediting them with the capture of 60 per cent of Russia's capacity. The industries of the United States are extremely well diversified and have long led the world in the application of the techniques of mass production. In the production of machinery and motor

vehicles they have been unexcelled.

Since May 1940, when the President launched his program to make the United States the "arsenal of democracy," this country has achieved considerable progress in gearing its economy for the production of war matériel. Because the United States had concentrated almost exclusively on the manufacture of the goods of peace, large armament industries had to be created. To equip plants for the production of munitions, the machine tool industry, which normally has an annual output of only about \$100,000,000, increased its deliveries to \$450,000,000 in 1940 and approximately \$765,000,000 in 1941, and will probably attain a total of well over \$1,250,000,000 in 1942. The aircraft industry raised its production from 500 military planes a month in the summer of 1940 to 2,500 at the end of 1941 and is scheduled to reach between 3,000 and 3,500 by next July and a goal of over 4,000 a month or 50,000 a year in 1943. The production of bombing planes is somewhat behind, but with the completion of four new assembly plants in 1942, the manufacture of heavy bombers should ultimately reach 800 a month. Even today, the combined plane production of the United States and Britain probably exceeds, or at least approximates, that of the Axis powers.

In January 1942 over 800 light and medium tanks will roll off the assembly lines, and by the end of 1942 the rate will reach 2,800 a month. Heavy 57-ton tanks are just coming into production. The output of rifles, machine guns and smokeless powder is already very large and ahead of schedules previously laid down. The production of some important items, however, notably anti-aircraft guns, field artillery, anti-tank guns and TNT, has lagged, although it is expected to rise rapidly in the near future. Thirty of the 60-odd special ordnance plants are already operating, and almost all of the remaining ones will enter into production within a year. Deliveries of armament and ammunition to the Army, which totaled \$80,000,000 in October 1941, are scheduled to reach \$265,000,000 in March 1942 and \$360,000,000 in June. Notable progress has also been made in shipbuilding. This country's yards finished 27 fighting ships, including two battleships and one cruiser, during the first 11 months of 1941, and launched 41 naval vessels—3 battleships, 6 cruisers, 19 destroyers and 13 submarines—which will prove of great value in meeting the challenge to Anglo-American naval supremacy as and when they are completed. The construction of merchant ships, on which the Allies must rely for the pooling of their resources and the transportation of men and matériel to distant theatres of war, amounted to only about a million tons in 1941, but will reach

5-6 million tons in 1942, and probably over 6 million in 1943. Unless the rate of sinkings sharply increases, the output should not only make up for past and current losses, but add to the shipping available for the vigorous prosecution of the war.

Up to the beginning of 1942 a total of \$74,440,000,000 had been authorized for war purposes. Contracts to the value of \$45,000,000,000 had been placed, and the rate of Treasury disbursements for national defense had risen from a monthly total of about \$200,000,000 in the summer of 1940 to approximately \$1,600,000,000 at the end of 1941. Since this country's entry into the war, the whole program has been enormously expanded and will probably involve a total expenditure of at least \$150,000,000,000, as compared with an outlay of only \$33,000,000,000 in the first world war. The war output of the United States can be increased in two ways: (1) by more intensive utilization of existing defense production plants; (2) by converting to the manufacture of munitions factories which have hitherto turned out peacetime goods. The President and Mr. Knudsen have called for continuous 7-day operation of existing plants, and have appealed to management and labor to cooperate in insuring uninterrupted production. By and large, however, a great increase in output can only be attained by diverting this country's industries from the manufacture of goods for civilian consumption to the production of arms and ammunition. At the end of 1941 the United States was utilizing only about a fifth of its resources for war, whereas the revised program will require an ultimate outlay of 5 to 6 billion dollars per month or at least 60 billion per year—about 50-60 per cent of national income. This "victory program" will undoubtedly necessitate a considerable curtailment of civilian living standards. The United States is so wealthy, however, that it can unquestionably produce a volume of munitions far greater than any other country and still retain a standard of living higher than that of Britain or Germany.

CONCLUSION

The Churchill-Roosevelt conversations in Washington, held in cooperation with representatives of the British Commonwealth of Nations, the Allied conferences at Chungking and Singapore, and the

Eden-Stalin parley in Moscow, all paved the way for the coordination of Allied military and economic forces that has been an imperative need since the entrance of the United States into the global war. While it is not expected that a single military command will be established for a conflict fought on many fronts and under the most diverse circumstances, efforts will be made by the Allies to pool their resources of men, war equipment and raw materials, and to use them wherever they will be most effective.

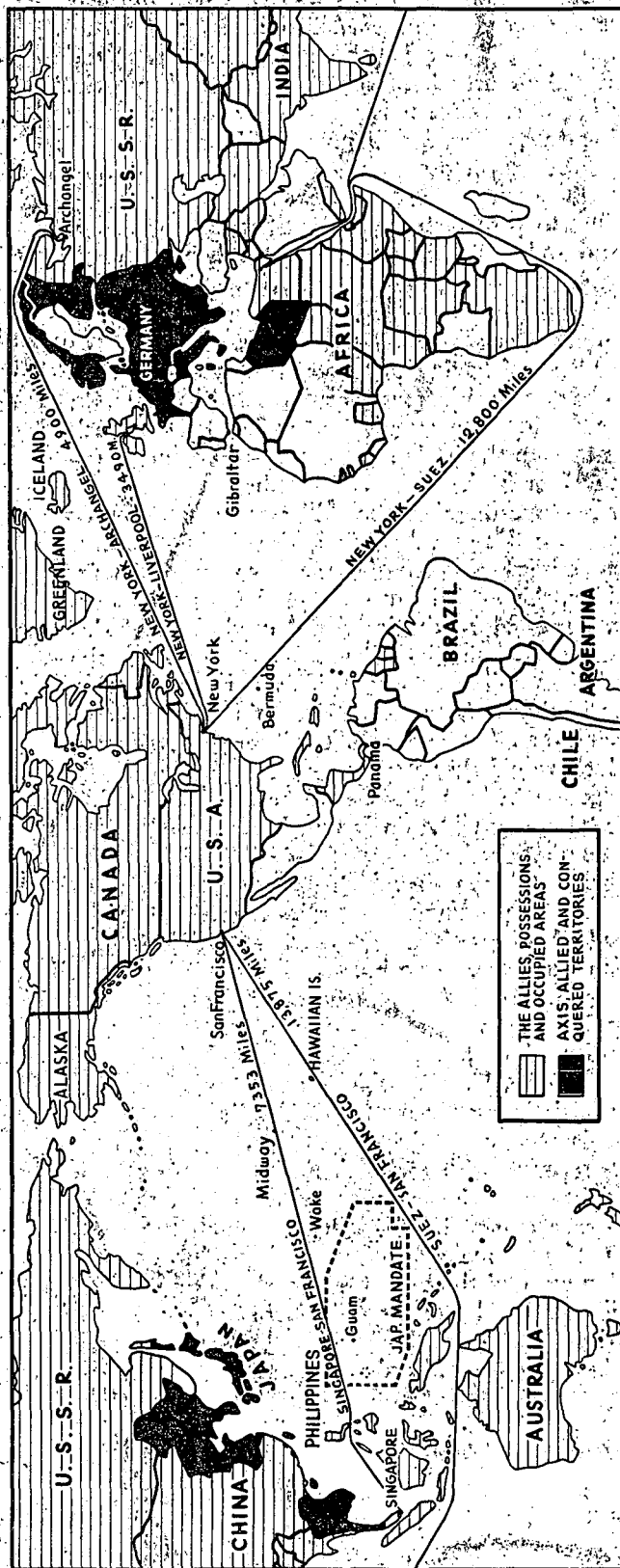
As 1942 opens, the Allies are inferior to the Axis powers in land and air power, and are under the handicap of having to move men and matériel to widely scattered fronts, across vast distances, in contrast to Germany and Japan which, having each time taken the initiative, now control strategic positions for further offensives. In the long run, however—assuming that the Allies avert catastrophic defeats in Europe, Asia or Africa during the next few critical months—the man power of Russia, China, the British Empire and the United States, implemented by the industrial production of this country, Britain and Canada, and aided by the technical skill of other anti-Axis countries, notably the Netherlands Indies and Australia, should outweigh the effort expended by Germany and Japan, which would then begin to feel the strain of participation in long-drawn-out wars. A step in that direction was taken on January 2 when 26 "united nations" signed an agreement—which is open to other signatories—in which they stated that "complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world." For this purpose the 26 nations pledged themselves to use their military and economic resources against Germany, Italy and Japan, to cooperate with each other, and not to make a separate armistice or peace. Meanwhile, the experience gained by the Allies through the pooling of raw materials, industrial production and shipping, and through close collaboration of their military, naval and air units, will lay a practical basis for global collaboration in the peacetime task of building a world order.

The January 15 issue of FOREIGN POLICY REPORTS will be

U.S. SHIPPING AND THE WAR

by Joseph W. Scott

ALLIES vs. AXIS—THE WORLD LINE-UP



The United States, occupying a central position almost equidistant from the principal war fronts in Russia and in the South China Sea, is bound to play an increasingly active rôle in the world conflict. For the present, however, the United States as well as its Allies will be forced to maintain an essentially defensive strategy. Including 33 American divisions, the Allies have roughly 425 Army divisions against the Axis' 475, which are generally better equipped and trained. Even with the addition of the United States air fleet (4,000-5,000 first-line planes), the Allied air strength (13,500) does not yet match that of the Axis (16,500). On the sea, however, the advantage is reversed. The Allies together possess 30 capital ships, 15 aircraft carriers, and 941 other combat vessels (American 14 battleships, 7 carriers, and 318 other types), as against the Fascist naval force of 19 capital ships, 9 aircraft carriers, and 641 other ships. The inherent nature of sea power, combined with the recent perfection of air bombing and submarines, which make naval operations in narrow and coastal waters dangerous, prevent the Allies from taking decisive action with this arm alone. Preponderant naval power, however, will enable the Allies to use the seas as highways.

The immediate task of the United States in the Pacific is to secure the outer defense line from Dutch Harbor through Hawaii to the Panama Canal, and then to reinforce the Philippines and the Allied positions in Malaya and the East Indies. In the Atlantic, it is crucial that the wide curve of bases from Iceland through Newfoundland, Bermuda, and the West Indies to Brazil be strongly held. Meanwhile, American industry, which alone produces 17 per cent more coal, 111 per cent more iron ore, and 3,000 per cent more petroleum than all Axis areas, will be turning out increasing quantities of weapons, planes and munitions. To deliver matériel and supplies to the forces attempting to hold widely scattered fronts against the Axis is still a difficult problem. Merchant shipping is scarce (American, 8 million tons; British-controlled, 30 million tons), convoys are now required in the Pacific as well as the Atlantic, and vessels must be directed over long, roundabout routes to the key distribution points—to west British ports for the forces holding the Nazis from the Atlantic; to Freetown and Bathurst, West Africa, for the British and Free French standing watch over Dakar; to Suez for the Allied armies in the Near East; to Basrah and Bandar Shah in the Persian Gulf for the British Middle Eastern forces and the Red Army in the Ukraine; to Archangel for the north Russian front; and to Singapore in Malaya.

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